

- Exports tumble in July, falling 9.8%
- Shipments down 5.5%; across the board slump in shipments by manufacturers of durable goods
- New vehicle sales up 2.0%; low by national standards

The Economy

- Exports of goods manufactured in the province slipped 9.8% (*seasonally adjusted*) in July, dropping to their lowest level so far this year. Forest product exports tumbled 10.4%, reflecting the effect of lower export prices for softwood lumber, pulp & paper products and logs. Exports of energy products fell 4.9%, and international shipments of agriculture & fish (-18.1%), industrial & consumer goods (-16.0%) and machinery & transportation equipment (-1.1%) were down.

Exports to the US slid 3.6%, while shipments to other destinations plunged 19.9%, largely because of a sharp decline in forest product exports (-30.5%) to overseas destinations.

Canadian exports advanced 2.1% in July, largely because shipments to the US were up 2.4%. Energy products (+8.7%) fuelled the growth. Trade in most other goods, including machinery (+0.5%) and automotive products (+0.1%), advanced only marginally.

Data Source: Statistics Canada & BC Stats

- Relative to July 2004, (*unadjusted*) exports were down in five provinces, including BC (-4.4%). Ontario (-5.3%) and Quebec (-5.6%) both posted year-over-year declines, and exports were down or flat in three of the four Atlantic provinces. Energy exports were responsible for most of the growth in Alberta (+6.5%) and Saskatchewan (+5.8%).

Data Source: Statistics Canada

- Shipments of goods manufactured in the province dropped 5.5% (*seasonally adjusted*) between June and July. Shipments were down in most provinces, falling 1.4% nationally. Ontario (-\$525 million, or -2.0%) and Alberta (-\$219 million, or -4.4%) saw the biggest declines in absolute terms. In Ontario, a bigger-than-average seasonal slowdown in the auto

sector was a major factor. Alberta, which surpassed BC to become the third-largest manufacturing province in the country in 1997, recorded declines in the petroleum and computer manufacturing industries. BC shipments fell by \$199 million, less in absolute terms than in the other large provinces, but in percentage terms, the decline was bigger than in any other province except PEI (-9.5%) and Nova Scotia (-7.1%).

Lower prices and maintenance shutdowns played a role in the downturn in the manufacturing sector. Producers of softwood lumber, other wood and paper products, primary metals and computers and peripheral equipment have all seen prices fall in recent months.

While shipments were weak in Canada, the US began the summer with a 0.7% boost in shipments, as steep prices for nondurable goods such as petroleum and chemical products offset weakness in the durable goods sector.

Data Source: Statistics Canada

- Overall, shipments by BC producers of non-durable goods dropped 6.5% in July, largely due to weakness in the dominant paper (-16.6%) and food (-0.4%) industries. On the durables (-4.8%) side, shipments were down across the board. Wood manufacturers saw the value of their shipments slip 5.2%, with declines in other industries ranging from a modest -0.4% in the furniture and fabricated metals industries to -18.5% in the "miscellaneous" category. Other notable declines were observed in the computer & electronics (-16.3%) and transportation equipment (-8.0%) industries.

Data Source: Statistics Canada

- The number of new vehicles driven off car lots in the province increased 2.0% (*seasonally adjusted*) in July, less than in any other province except Quebec (+0.8%). BC dealers do not appear to have benefited as much from special

Did you know...

One in four Canadians say they'd sneak a peek at a co-worker's paystub if it was lying open on their desk. Those earning \$100,000 or more a year are nosier than their less affluent colleagues (38% would peek, compared to 12% of those earning less than \$15,000).

manufacturers' incentives as have those in other parts of the country—although it is possible that British Columbians have responded to the price breaks by buying more expensive vehicles than they would otherwise have purchased.

Three out of every four vehicles sold in BC were made in North America. Trucks and vans were the biggest sellers, with 43% of the total market, compared to 31% for North American-made cars. British Columbians were more than twice as likely to purchase an overseas-manufactured car (18%) as a truck or van (8%).

Canadian vehicle sales were up 7.3%, with double-digit growth occurring in five provinces. Manitoba (+16.7%) and New Brunswick (+15.8%) posted the strongest gains.

Data Source: Statistics Canada & BC Stats

Public Debt

- **British Columbia's net debt stood at \$21.3 billion, or \$5,081 per capita, on March 31, 2004.** This was the lowest per capita net debt among the nine regions which continue to carry a debt burden. Alberta (where the net surplus was \$4,497 per person), Yukon (\$8,548) and NWT (\$1,953) were all net savers by the end of the 2003/04 fiscal year. Newfoundland (\$21,226) had the biggest per capita debt, nearly two-thirds more than in second-place Quebec (\$12,973).

The average for all provinces and territories was \$8,310 per capita, up from \$8,106 in the 2003 fiscal year. The total debt of provincial/territorial governments in Canada was \$264.7 billion, or 21.1% of the nation's GDP.

Data Source: Statistics Canada

Note to Readers

These debt figures are derived from the Financial Management System and differ from information presented in the Public Accounts. The data have been adjusted to ensure comparability across provinces, and use a definition of provincial and territorial general government which includes all activities of government whether they are performed by ministries or by "arm's length" agencies (such as the Workers' Compensation Board).

The Nation

- **Canadian assets abroad topped the \$1 trillion**

mark for the first time in the second quarter.

As a result, the net liabilities of Canadians to non-residents fell to the lowest level (\$154 billion) in more than two decades. Canadian assets include \$462 billion in direct investment abroad, about half (\$213 billion) of which is invested in the US. Foreign bond holdings of Canadians were \$68 billion. Canadian holdings of foreign stocks were largely unchanged at \$186 billion.

Americans continue to invest more in Canada than Canadians have invested south of the border. US direct investment in Canada was \$244 billion, accounting for about two-thirds of total foreign direct investment (\$377 billion). Foreigners held \$536 billion in Canadian securities.

Data Source: Statistics Canada

- **The net worth of Canadians—the total value of their non-financial assets less net foreign liabilities—was \$4.4 billion, or \$135,000 per capita, at the end of the second quarter.** This was 1.6% more than at the beginning of the year. Exchange rate fluctuations played a role in the increase in national net worth.

The Canadian personal saving rate was below zero in the second quarter (in BC, it has been negative, and falling, since 1997). However, household net worth increased as a result of gains in the value of residential real estate, as well as stock market advances. At the same time, the demand for consumer credit and mortgage funds grew, and the debt-to-income ratio for households rose to 108%, meaning that the average Canadian household carries \$1.08 in debt for every dollar of disposable income. The ratio of household debt to net worth edged up to 18.1%.

The corporate sector, on the other hand, has improved its financial position, having seen growing surpluses in the recent past. It is now a net lender to other sectors of the economy. In the government sector, the debt-to-GDP ratio fell to a 20-year low, but remains at about fifty percent.

Data Source: Statistics Canada

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Skiing in Whistler

Whistler is one of the most popular ski destinations in British Columbia. With two ski areas (Blackcomb Mountain and Whistler Mountain) combined, Whistler resort provides 33 lifts and over two hundred runs to skiers.

Whistler's history stretches back to the 1860s when Whistler Mountain was first named London Mountain by some British naval officers. The name "Whistler" was then used by settlers in the 1900s because of the whistling sound made by marmots in the area. Historically, Whistler was considered a summer resort destination (due to its abundant fish stocks) long before it became a winter one.

Top Resort in the Province

Whistler-Blackcomb Mountain was developed as a ski resort in the 1960s & '70s,¹ and since then has become a favourite among skiers from all over the world. It is recognized as a top ski resort by both domestic and foreign travellers. In 2003, Skiing Magazine² voted Whistler Blackcomb the "Number One Ski Resort in North America". As a matter of fact, Whistler urban centre³ receives the second highest accommodation room revenues across the 30 BC urban centres reported by BC Stats. In 2004, Whistler took in \$178.3 million in accommodation room revenues, second only to downtown Vancouver (\$407.5 million). In 2004, Whistler contributed 21% of the total accommodation room revenue in Mainland Southwest Development Region, and 11% of the provincial total.

¹ Whistler Mountain opened in 1966; Blackcomb Mountain opened in 1980

² www.skiingmag.com

³ BC Stats' definition

Whistler is also the second most profitable among the 30 urban centres across BC. The annual revenue per room in Whistler averaged \$24,068 in 2004, over \$8,000 more than the provincial average (\$15,864).⁴ The difference roughly implies the location premium that Whistler accommodation operators are able to charge. The average annual revenue per room in downtown Vancouver, where many high-end hotels are located, was the highest in BC, reaching over \$30,000 in 2004.

More Skiing in Canada

According to the Canadian Ski Council, more and more skiers are attracted by Whistler and other BC ski resorts for world-class skiing experiences. In the 2003/04 ski season, BC⁵ hosted 6.1 million alpine ski and snow board visits⁶, 10.3% more than the 2002/03 ski season.

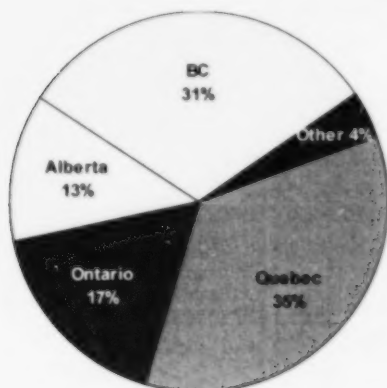
BC's ski resorts accommodated 31% of the total skier visits in Canada, increasing from 29% ten years ago. Quebec is the most popular region in Canada for skiers, with 35% of the visits in the 2003/04.

After September 11th, US skier visits and offshore visits to Canada slumped more than 31.4% from 4.7 million in 2001/02 to 3.2 million in the 2003/04 season.

⁴ Annual revenue per room is a rough indicator of accommodation properties' profitability in a region. It takes both room rates and vacancy rates into consideration. This ratio (total revenues/number of rooms) should not be used as an implication of room rates.

⁵ www.canadianskicouncil.org; BC includes BC, Yukon & Heli-Ski operations

⁶ including visits from American and offshore skiers/snowboarders

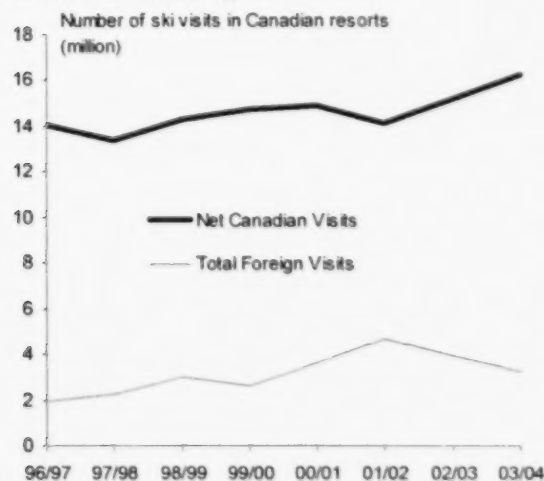


Quebec & BC, Most Popular Destinations

Data Source: Canadian Ski Council

Luckily, domestic skiers took up the slack, with visits increasing 14.9% (or 2.1 million) over the same period. In fact, ski visits by Canadians have been increasing since the 1997/98 season, with the exception of 2001/02.

Total Ski Visits Rising



Data Source: Canadian Ski Council

Whistler in 2004

Despite the rising popularity of ski sports in Canada, Whistler resort had a hard time in the 2004/05 ski season.⁷ Overall room revenue in the last season (\$114.9 million) slumped 8.3%, dropping to a six-year-low level. The all time high was recorded in the millennium year, when revenue reached \$145 million. After 2000/01, however, room revenue has decreased for four consecutive years.

Monthly Room Revenue in Whistler

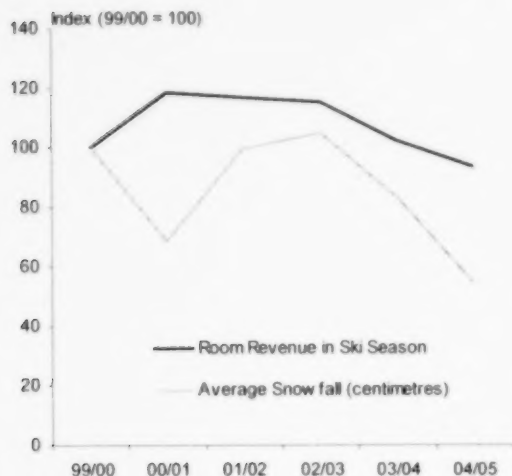
Accommodation Room Revenues in Whistler
(\$ million, seasonally adjusted)



Data Source: BC Stats

One major reason for the downturn was low snowfall at the resort. Snowfall was only 640 centimetres in the 2004/05 ski season in Whistler, 34.4% less than the previous season (975 cm), which was already 20.7% lower than the year before (1,230 cm). What's more devastating for a ski resort than the lack of snow?

⁷ Ski season revenue is defined as the total room revenue in typical ski months in Whistler (December to April).

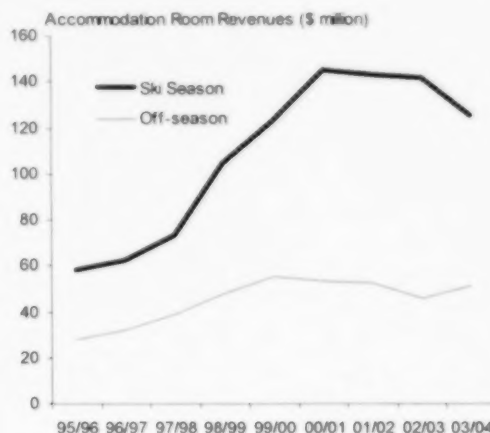


Ski Season Room Revenue Correlated with Total Snow fall

Data Source: Tourism Whistler & BC Stats

Other factors such as accommodation and ski facility development in the resort and weather conditions in competing resorts might also have affected skier visits and room revenue in Whistler. But a correlation between ski season room revenue and snow-fall can be clearly observed from the above chart, with the exception of the millennium year.

On the other hand, it seems that Whistler resort is attracting more visitors during the summer months. In 2004 off-season months (May to November), room revenue totalled \$51.0 million, up 12.0% over the 2003 level. This partially offset the slowdown in the ski season.



Winter vs. Summer in Whistler

Data Source: BC STATS

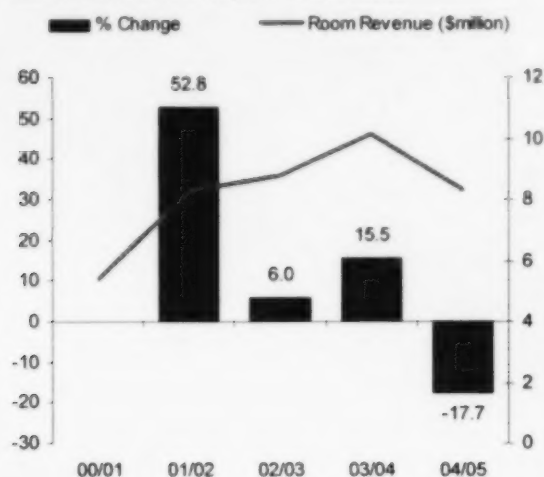
Competition and Outlook

According to the Canadian Ski Council, there are about 70 ski areas in the province. Some of them have already gained domestic and international attention by offering world-class skiing experiences.

For example, among BC Stats' reporting urban centres, Fernie alpine resort is another ski resort where ski season room revenue was 150% more than its off-season receipts. Fernie alpine resort was ranked by Skiing Magazine as the 10th best ski resort in North America.

Although Fernie alpine resort's accommodation revenue was less than one tenth of the revenue in Whistler, Fernie is growing by leaps and bounds. During the period from 2000/01 to 2003/04, Fernie's room revenue in the ski season almost doubled to more than \$10 million.

Ski Season Room Revenue in Fernie



Data Source: BC STATS

Another challenge for the Whistler resort is weather condition. Although not much can be done about the lack of snowfall in winter, promoting summer activities and turning Whistler into a year-round resort is a good strategy to make full use of the existing tourism capacity.

Of course, Whistler has a huge opportunity ahead of it—the 2010 Winter Olympic and Paralympic Games. According to the Canadian Tourism Commission, past Olympics have proven to significantly benefit the region that hosts the Games. As 2010 approaches, Whistler will certainly see more tourism-related investment, tourism businesses and visitors, all of which will boost the local tourism sector.

Appendix

List of Ski Areas in British Columbia

Apex Mountain Resort	Little Mac Ski Hill	Salmo Ski Area
Bear Mountain Ski Resort	Mad River Nordic Ski Enterprises Inc.	Selkirk Tangiers Helicopter Skiing Ltd.
Big Bam Ski Club	Manning Park Resort	Selkirk Wilderness Skiing Ltd.
Big White Ski Resort Ltd.	Mike Wiegele Helicopter Skiing	Shames Mountain Ski Corporation
Callaghan Country Wilderness Adventures	Morning Mountain	Silver Star Ski Resort
Crystal Mountain Resorts Ltd.	Mount Cain Alpine Park Society	Ski & Ride Smithers
Cypress Mountain	Mount Mackenzie Ski Area	Sno Much Fun Cat Skiing
Dawson Creek Ski & Recreation Association	Mount Seymour	Snowpatch Ski Society
Fairmont Hot Springs Resort Ltd	Mount Timothy Ski Society	Soft Trax
Fernie Alpine Resort	Mount Washington Alpine Resort	Summit Lake Ski Area
Forbidden Plateau	Mt Arrowsmith Ski & Park	Sun Peaks Resort
Garibaldi Alpen Resorts (1996) Ltd	Mt. Baldy Ski Area	Sunset Ridge Ski Society
Great Canadian Heliskiing Ltd.	Murray Ridge Ski Area	Tabor Mountain Ski Resort Ltd.
Grouse Mountain Resorts Ltd.	Panorama Mountain Village	The Clearwater Ski Club
Harper Mountain	Phoenix Mountain Alpine Ski Society	The Hills Health Ranch
Hart Highlands Winter Club	Powder King Mountain Resort	Troll Ski Resort
Hell's Gate Airtram Inc.	Powder Mountain Snowcats Ltd.	Tweedsmuir Ski Club
Hemlock Valley Resorts Inc.	Powder Springs Resort	Tyax Lodge Heli-Skiing
Hudson's Hope Ski Association	Purcell Helicopter Skiing Ltd.	Wapiti Ski Club
Interior Alpine Recreation Ltd.	Purden Ski Village	Whistler Blackcomb
Kicking Horse Mountain Resort	R.K. Heli-Ski Panorama Inc.	Whistler Cross-Country Ski Trails
Kimberley Alpine Resort	Red Resort	Whitetooth Ski Area
Klondike Heliskiing	Retallack Alpine Adventures Ltd.	Whitewater Ski Resort Ltd.
Kootenay Helicopter Skiing		

Source: Canadian Ski Council



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also on the Internet at www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)		
	Apr 1/05	% change on one year ago
BC	4,232.5	1.2
Canada	32,146.5	0.9
GDP and INCOME		
(BC - at market prices)	2004	% change on one year ago
Gross Domestic Product (GDP) (\$ millions)	156,481	7.5
GDP (\$ 1997 millions)	138,783	3.9
GDP (\$ 1997 per Capita)	33,072	2.8
Personal Disposable Income (\$ 1997 per Capita)	20,002	1.2
TRADE (\$ millions, seasonally adjusted)		
		% change on prev. month
Manufacturing Shipments - Jul	3,392	-5.5
Merchandise Exports - Jul	2,599	-9.8
Retail Sales - Jun	4,122	-0.1
CONSUMER PRICE INDEX		
(all items - 1992=100)	Jul '05	12-month avg % change
BC	125.7	2.0
Canada	127.5	2.1
LABOUR FORCE (thousands)		
(seasonally adjusted)	Aug '05	% change on prev. month
Labour Force - BC	2,265	0.0
Employed - BC	2,133	0.4
Unemployed - BC	132	-6.0
	Jul '05	
Unemployment Rate - BC (percent)	5.8	6.2
Unemployment Rate - Canada (percent)	6.8	6.8
INTEREST RATES (percent)		
	Sep 14/05	Sep 15/04
Prime Business Rate	4.50	4.00
Conventional Mortgages - 1 year	5.00	4.80
- 5 year	5.80	6.45
US/CANADA EXCHANGE RATE		
(avg. noon spot rate) Cdn \$	Sep 14/05	Sep 15/04
	1.1822	1.2988
US \$ (reciprocal of the closing rate)	0.8469	0.7709
AVERAGE WEEKLY WAGE RATE		
(industrial aggregate - dollars)	Aug '05	% change on one year ago
BC	702.66	2.1
Canada	708.30	4.2
SOURCES:		
Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada		
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics		
For latest Weekly Financial Statistics see www.bankofcanada.ca		

New on our site!

The Media Room

We've added a page aimed at journalists. The link to this is on our home page, in the top-most blue panel on the left.

<http://www.bcstats.gov.bc.ca/media.asp>

Worth a Bookmark!

The Business Gateway

This is a page designed to whisk our business clients to appropriate resources on our site and beyond. Since last week we have added a new link on this page to the Consumer Trends page on the Industry Canada site. Links to the business gateway are on our at the top of our business and industry page and at the top of our small business page. As always, we welcome your comments and suggestions for improvement.

www.bcstats.gov.bc.ca/data/bus_stat/bus_gate.asp

Released this week by BC STATS

- Labour Force Statistics, August 2005
- Earnings & Employment Trends, August 2005

Next week

- Consumer Price Index, August 2005